

# Rule-Making Fact Sheet

(5 M.R.S.A. §8057-A)

AGENCIES: Department of Environmental Protection, Bureau of Land and Water Quality  
Maine Municipal Bond Bank

## NAME, ADDRESS, PHONE NUMBER OF AGENCY CONTACT PERSONS:

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CHAPTER NUMBER AND RULE TITLE: Chapter 595, "State Revolving Fund"

STATUTORY AUTHORITY: 30-A M.R.S.A. §5959

## DATE AND PLACE OF PUBLIC HEARING:

No public hearing is planned. If you wish to request a public hearing, you must do so in writing. A request for a public hearing should be directed to both agency contact persons listed above and must be received before the deadline for comments.

COMMENT DEADLINE: March 16, 2007

## PRINCIPAL REASON OR PURPOSE FOR PROPOSING THIS RULE:

This rule is an amendment of an existing rule. This proposed amendments would update the rule, originally adopted in 1990, to allow the use of the fund for additional water improvement practices, add flexibility for borrowers, pay for administration of the program and reflect changes to the federal program.

## ANALYSIS AND EXPECTED OPERATION OF THE RULE:

The proposed rule changes will accomplish the following:

1. Updates definitions allowing the SRF to loan money for expanded uses that improve or protect water quality.
2. Allows more flexible terms for borrowers for refinancing existing debt for pollution control facilities.
3. Allows for more extensive public comment for the annual Intended Use Plan and Project Priority List in compliance with current federal rule and policy.
4. Allows the Department to establish, jointly with the Maine Municipal Bond Bank or separately, fees for project management and administration of the SRF program. The interest rate for loans using SRF money will be adjusted down to accommodate the fees so there is no increase in cost to the borrowers.

5. Removes federal requirements that sunset in 1994 and no longer apply to the SRF program.
6. Revises the progress payment retainage clause so as not to conflict with rules of other funding agencies when projects are co-funded.
7. Revised rule formatting to comply with current rulemaking standards.

#### FISCAL IMPACT OF THE RULE:

We anticipate no additional fiscal impact on municipal government or the regulated community as any fee for administration will be offset by reduced interest on loans using SRF money to the regulated community. We anticipate no additional fiscal impact on state government as the SRF is an existing program under current state law.